

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

)	Chapter 11
In re)	
)	Case No. 12-12020 (MG)
RESIDENTIAL CAPITAL, LLC, et. al.)	
)	(Jointly Administered)
Debtors.)	
)	Docket Ref. Nos. 530

**SUPPLEMENTAL DECLARATION OF HARVEY R. KELLY
OF ALIXPARTNERS, LLP AS FINANCIAL ADVISOR TO
THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF RESIDENTIAL CAPITAL, LLC, ET AL.,**

I, Harvey R. Kelly, declare, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am a managing director of AlixPartners, LLP (together with its parent and subsidiary-affiliates, “**AlixPartners**”), which has a place of business at 2000 Town Center, Suite 2400, Southfield, Michigan 48075.

2. Except as otherwise noted, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.

3. I am filing this supplemental declaration to supplement my original declaration (the “**Original Declaration**”) executed on June 27, 2012, in support of the application (the “**Application**”), dated June 27, 2012, of the Official Committee of Unsecured Creditors of Residential Capital, LLC, et al. (the “**Committee**”) for entry of an order authorizing the Committee to employ and retain AlixPartners, LLP as financial advisors pursuant to sections 328 and 1103 of chapter 11 of title 11 of the Bankruptcy Code and under the terms and conditions set forth in the Application.

4. In the Original Declaration, AlixPartners reserved the right to supplement its declaration in the event that AlixPartners discovered any facts bearing on AlixPartners' employment by the Debtors. Accordingly, AlixPartners would like to disclose the following¹:

- ACE Group ("ACE"), an insurance provider to the Debtors, is affiliated with an entity that is a vendor to AlixPartners.
- Cerberus Capital Management, L.P., Cerberus FIM Investors LLC and Cerberus FIM, LLC (collectively, "Cerberus"), rule 2004 motion parties in this bankruptcy matter, are creditors, significant shareholders, director affiliated companies and lenders to current and former AlixPartners clients in matters unrelated to the Debtors. Cerberus is a current and former AlixPartners client in matters unrelated to the Debtors. Cerberus is the previous employer of a current AlixPartners employee.
- Federal Insurance Group ("Chubb"), a mortgage and monoline insurer to the Debtors, is a vendor to AlixPartners and adverse party, lenders insurance provider and executory contract counterparty to current and former AlixPartners clients in matters unrelated to the Debtors. Chubb is a former AlixPartners client in matters unrelated to the Debtors.
- General Motors Corporation ("GM"), a rule 2004 motion party in this bankruptcy matter, and its affiliated entities are creditors, adverse parties, shareholders, vendors, bondholders, customers and lenders to current and former AlixPartners clients in matters unrelated to the Debtors. GM is a current and former AlixPartners client in matters unrelated to the Debtors. GM is the previous employer of numerous current AlixPartners employees.
- Gibbs & Bruns, LLP, a rule 2004 motion party in this bankruptcy matter, is a former AlixPartners client in matters unrelated to the Debtors. Gibbs & Bruns, LLP is opposing counsel to a former AlixPartners client in matters unrelated to the Debtors.
- Houlihan Lokey Howard & Zukin ("Houlihan"), a rule 2004 motion party in this bankruptcy matter, is a professional in interest and investment banker to current and former AlixPartners clients in matters unrelated to the Debtors. Houlihan is an affiliate of a former AlixPartners client in matters unrelated to the Debtors.
- Morrison & Foerster, a professional in interest in this bankruptcy matter, is a current and former AlixPartners client in matters unrelated to the Debtors. Morrison & Foerster is a professional in interest to current and former AlixPartners clients in matters unrelated to the Debtors.

5. Furthermore, AlixPartners provides the following supplementary information with respect to prior disclosures:

¹ Unless otherwise stated herein, for 2012 to date, none of the clients of AlixPartners listed herein represent more than 1% of AlixPartners' revenue for such period.

- AlixPartners previously disclosed that it provides services to MBIA Insurance Company (“MBIA”) in matters related to the Debtors. AlixPartners provides the following supplementary disclosure in that regard. MBIA is an unsecured creditor of the Debtors and a member of the Committee, a monoline insurer with respect to securities issued by the Debtors and a party to litigation against certain of the Debtors with respect thereto, and is a current AlixPartners client in matters related and unrelated to the Debtors. AlixPartners has been retained by or on behalf of MBIA to provide project management consulting services, including support of put-back related litigations that were previously commenced against the Debtors or related parties. In one such litigation, AlixPartners was retained by Cadwalader, Wickersham & Taft LLP on behalf of MBIA, who asserts damages with respect to a Debtor in excess of \$1.5 billion. In this litigation, two AlixPartners professionals have been retained on behalf of MBIA to act as expert witnesses in such litigation. In another litigation, AlixPartners was retained by Quinn Emanuel Urquhart & Sullivan, LLP on behalf of MBIA, who asserts damages in that case in excess of \$130 million against one of the Debtors or related parties. AlixPartners understands that such litigations are currently subject to the automatic stay. For 2012 to date, AlixPartners’ engagements by or on behalf of MBIA represent approximately 2.8% of AlixPartners’ revenue for such period.
- AlixPartners previously disclosed that it provides services to a confidential party in a matter related to the Debtors. AlixPartners provides the following supplementary disclosure in that regard. AlixPartners has been retained by Quinn Emanuel Urquhart & Sullivan, LLP to assist Massachusetts Mutual Life Insurance Company (“MassMutual”), a creditor of and party to litigation against the Debtors, in the calculation of losses associated with the Debtors and/or related parties. Based on currently available information, such losses asserted by MassMutual are in amounts in excess of \$200 million. AlixPartners’ work on behalf of MassMutual concerning Debtor-related losses is ongoing and subject to change. For 2012 to date, AlixPartners’ engagement on behalf of MassMutual represents less than 1% of AlixPartners’ revenue for such period.
- AlixPartners previously disclosed that it provides services to a confidential party in a matter related to the Debtors. AlixPartners provides the following supplementary disclosure in that regard. AlixPartners has been retained by Quinn Emanuel Urquhart & Sullivan, LLP to assist American International Group, Inc. (“AIG”), a Committee member and unsecured creditor of the Debtors, in the calculation of losses associated with the Debtors and/or related parties, and potential approaches to resolving those losses. Based on currently available information, such losses may be asserted by AIG in amounts in excess of \$1 billion. AlixPartners’ work on behalf of AIG concerning Debtor-related losses is ongoing and subject to change. For 2012 to date, AlixPartners’ engagement on behalf of AIG represents less than 1% of AlixPartners’ revenue for such period.
- AlixPartners previously disclosed that it provides services to a confidential party in matters related to the Debtors. AlixPartners provides the following supplementary disclosure in that regard. AlixPartners has been retained by Financial Guaranty Insurance Company (“FGIC”), an unsecured creditor of the Debtors and a member of the

Committee, a monoline insurer with respect to securities issued by the Debtors and a party to litigation against certain of the Debtors with respect thereto, to provide project management consulting services, including support of put-back related litigations that were previously commenced against the Debtors or related parties. Such services include the evaluation of structured and unstructured data, tracking put-back requests and responses, review of discovery data to assist counsel with the preparation for depositions and other ad hoc requests of counsel. AlixPartners understands that such litigations are currently subject to the automatic stay. In addition, AlixPartners has been retained by outside counsel representing FGIC in matters unrelated to the Debtors. For 2012 to date, AlixPartners' engagement by FGIC represents less than 1% of AlixPartners' revenue for such period.

- AlixPartners previously disclosed that it currently represents, in matters unrelated to the Debtors, certain confidential clients who are listed as unsecured creditors of and counterparties to servicing agreements to the Debtors and/or mortgage/monoline insurers with respect to securities issued by the Debtors. AlixPartners provides the following supplementary disclosure in that regard. AlixPartners has been retained by Patterson Belknap Webb & Tyler LLP on behalf of Ambac Assurance Corporation, Susman Godfrey LLP on behalf of Assured Guaranty Corp. and by or on behalf of certain other confidential clients, which may hold or assert investor claims or insurance-law based claims against the Debtors, to provide services in unrelated matters. For the avoidance of doubt, such unrelated matters are not related to the Debtors or their cases, nor do they relate to claims that may be asserted by such clients against the Debtors or related parties.

6. AlixPartners has established internal protocols and controls, including information barriers, to prevent the AlixPartners professionals who provide services to the clients described in paragraph 5 hereof, and the AlixPartners professionals who will be providing services to the Committee, from sharing confidential information with regard to their respective clients and engagements. For the avoidance of doubt, no AlixPartners professional who has specific confidential knowledge concerning AlixPartners' engagement by or on behalf the clients described in paragraph 5 hereof will be involved, in any manner, in AlixPartners' provision of services to the Committee.

7. Furthermore, the previous disclosure item regarding Hellman & Friedman, in the Original Declaration, is hereby replaced with the following:

- Funds managed by subsidiaries of CVC Capital Partners SICAV-FIS S.A. ("CVC"), a private equity and investment advisory firm, own a controlling stake in AlixPartners

Holdings, LLP, the parent of AlixPartners, LLP. CVC Credit Partners, L.P. ("CVC Credit Partners") is a global debt management business and a majority owned subsidiary of CVC.

CVC's private equity funds ("CVC Funds") and debt funds ("CVC Credit Partners' Funds") are managed independently from each other, with no overlap in membership of the relevant investment committees or boards of entities with responsibility for investment decisions. CVC has in place an internal information barrier between the CVC Funds and the CVC Credit Partners' Funds. All CVC Credit Partners investment professionals are dedicated to CVC Credit Partners and are not involved in the private equity business. CVC Credit Partners also has separate IT systems and workspaces.

No material nonpublic information about the Debtors has been furnished by AlixPartners to CVC or any CVC managed funds or their portfolio companies, including without limitation, CVC Credit Partners (collectively, the "CVC Entities") and AlixPartners will continue to abide by its confidentiality obligations to the Debtors. AlixPartners operates independently of the CVC Entities, and does not share employees or officers with the CVC Entities, except that a managing partner of CVC is on the Board of Directors of AlixPartners, LLP and AP Holdings and on the advisory board to CVC Credit Partners. Certain other CVC executives, who are not connected with CVC Credit Partners, are also on either the Board of Directors of AlixPartners or the Board of Directors of AP Holdings. AlixPartners and the CVC Entities have separate offices in separate buildings and use separate Internet email addresses. AlixPartners's financial performance is not directly impacted by the success or failure of the CVC Entities.

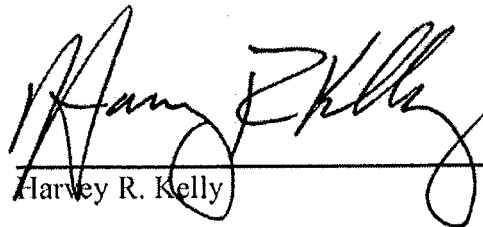
As a component of its conflict checking system, AlixPartners has searched the names of CVC, CVC Credit Partners, the CVC Credit Partners' Funds, the CVC Funds, each managing partner of CVC and each portfolio company of the CVC Funds (the "CVC Conflict Parties") against the list of Potential Parties in Interest, and AlixPartners has determined to the best of its knowledge that there are no resulting disclosures other than as noted herein. The term "portfolio company" means any business in which a CVC fund has a direct controlling or minority interest. The term "portfolio company" does not include indirect investments such as businesses owned or investments made by a CVC Funds portfolio company or investments made by the CVC Credit Partners' Funds. CVC Credit Partners Funds, as well as other CVC Entities, may in the ordinary course from time to time hold, control and/or manage loans to, or investments in the Debtors and parties in interest in these cases. Further, the CVC Entities may have had, currently have or may in the future have business relationships or connections with the Debtors or other Potential Parties in Interest in matters related to or unrelated to the Debtors or their affiliates or these chapter 11 cases. Furthermore, AlixPartners has provided the list of Debtors to CVC and has performed appropriate checks to determine if any material connections between the CVC Entities and the Debtors exist. AlixPartners will supplement this disclosure if it obtains information regarding any such connection. Other than as specifically noted herein, AlixPartners has not undertaken to determine the existence, nature and/or full scope of any business relationships or connections that the CVC Entities may have with the Potential Parties in Interest, the Debtors and their affiliates or these chapter 11 cases.

Certain of the CVC Credit Partners' Funds act as lenders to AP. Further, AP may have had, currently has or may in the future have other business relationships with, among other entities, portfolio companies or managed funds of CVC in matters unrelated to the Debtors or their affiliates in these chapter 11 cases. Based on, among other things, the business separation between the CVC Funds and the CVC Credit Partners' Funds, the business separation between the CVC Entities and AlixPartners, and the confidentiality obligations referred to above, AlixPartners believes that it does not hold or represent an interest adverse to the estate with respect to the engagement.

8. A revised proposed *Order Authorizing the Retention and Employment of AlixPartners, LLP as Financial Advisor to the Committee Nunc Pro Tunc to May 21, 2012* (the "Revised Order") will be submitted to, among other things, modify a provision of that certain Engagement Letter, dated as of June 27, 2012, by and between the Committee and AlixPartners, in response to certain concerns raised by the United States Trustee for the Southern District of New York with respect thereto.

9. AlixPartners continues to reserve the right to supplement its disclosures in the event that AlixPartners discovers any facts bearing on matters regarding AlixPartners' employment by the Committee. If any new material relevant facts or relationships are discovered or arise, AlixPartners will promptly file a supplemental declaration pursuant to Bankruptcy Rule 2014(a).

I declare under penalty of perjury pursuant to 28 U.S.C. §1746 that the foregoing is true and correct.


Harvey R. Kelly

Dated this 23rd day of July, 2012